

AMENDMENT OFFERED BY MR. BILIRAKIS
TO THE MEDICAID RECONCILIATION PROVISIONS

(Page & line nos. refer to Committee Print of 6/11/97,
MEDICAID.007)

Page 9, after line 35, insert the following new section:

1 SEC. 3412. TREATMENT OF STATE TAXES IMPOSED ON CER-
2 TAIN HOSPITALS THAT PROVIDE FREE CARE.

3 (a) EXCEPTION FROM TAX DOES NOT DISQUALIFY
4 AS BROAD-BASED TAX.—Section 1903(w)(3) (42 U.S.C.
5 1396b(w)(3)) is amended—

6 (1) in subparagraph (B), by striking “and (E)”
7 and inserting “(E), and (F)”, and

8 (2) by adding at the end the following:

9 “(F) In no case shall a tax not qualify as a broad-
10 based health care related tax under this paragraph be-
11 cause it does not apply to a hospital that is exempt from
12 taxation under section 501(c)(3) of the Internal Revenue
13 Code of 1986 and that does not accept payment under
14 the State plan under this title or under title XVIII.”.

15 (b) REDUCTION IN FEDERAL FINANCIAL PARTICIPA-
16 TION IN CASE OF IMPOSITION OF TAX.—Section 1903(b)
17 (42 U.S.C. 1396b(b)) is amended by adding at the end
18 the following:

1 “(4) Notwithstanding the preceding provisions of this
2 section, the amount determined under subsection (a)(1)
3 for any State shall be decreased in a quarter by the
4 amount of any health care related taxes (described in sec-
5 tion 1902(w)(3)(A)) that are imposed on a hospital de-
6 scribed in subsection (w)(3)(F) in that quarter.”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 subsection (a) shall apply to taxes imposed before, on, or
9 after the date of the enactment of this Act and the amend-
10 ment made by subsection (b) shall apply to taxes imposed
11 on or after such date.